



The Securities Services Advisory Group

The Securities Services Advisory Group (TSSAG) Leadership Series Webinar

Monday 17 April 2023

Topic:

Understanding AI and how it will transform Financial Service

Speakers:

Roger Harrold – Director AlfaSec Advisors in Singapore

Assaf Zeevi - Professor at Columbia University & Chief Data Scientist at Fintica AI

Key Topics:

1. What is AI
2. How can AI transform Transaction processing and financial services
3. What are good examples of transformation?
4. Identifying opportunities to engage Clients with Fintica

This webinar was conducted by The Securities Services Advisory Group [TSSAG} as part of the TSSAG leadership series and regular industry dialogue. The Securities Services Advisory Group (TSSAG) is a Network of independent firms around the world, distinguished in their areas of practice in their country and/or Region, focused on providing client-centric solutions in primarily but not exclusively the Securities Services industry: The Group today since inauguration two years ago has some 20 member firms covering 14 countries.

The two panellists are

- **Roger Harrold** who after a long career working in corporate banking at Deutsche Bank has for the past 10 years, been at AlfaSec working with a client focus on innovative products, projects, and services. AlfaSec provides consulting to the Banking and Fund Management industry as well as providing

Director Services to local entities established in Singapore. Together with his 8 other colleagues, Roger is also a founding member of TSSAG.

- **Assaf Zeevi** is a professor at the School of Business, Columbia University. He holds a PhD and M.S. from Stanford University and is the recipient of several research awards. Assaf is also the Chief Scientist Officer at Fintica AI. Fintica is also a member of TSSAG. Assaf has a deep understanding of the technology and working with his colleagues at Fintica and with a growing number of clients, Assaf can understand both challenges and benefits that this technology can bring.

Fintica is a specialized firm focused on AI in Financial Service with a sizeable team of highly specialized and qualified data scientists. Link this with the competence together in the TSSAG membership and you can see that this creates a bigger opportunity to help clients make decisions to reap transformational benefits.

The highlights of this Webinar are summarized as follows:

AI is a tool that is not a single solution but is very much part of a 'tool set' of applications that allows companies to analysis and conclude statements based on a huge data universe. With this combination, it provides huge benefits. The key difference between AI and Autonomous AI is the level of human intervention required. AI systems typically require some level of human supervision and input, whereas Autonomous AI systems can operate independently and make decisions on their own.

The point was made that AI is not a standalone topic of academic study or qualification. It is part of the study of data science and most data scientists who clearly study AI see the future of this technology in industry – where Banking is not necessarily the top of the go to Industries for students.

AI has a key focus on three levels. The first is operational Research – where the critical focus here is around Operational Optimisation. The second big focus is on Data, the study of systems data to make sure it's consistent and available to the larger organisation [the reduction of internal barriers] and the third pillar is communicating. How to use the data and create useful and insightful output.

The transformational aspects of the application of AI are seen already in many areas of banking. Fraud detection and preservation, Customer Experience (AI-powered chatbots), Risk Management, Compliance, Personalisation and Decision making. All these functions use vast amount of data to analysis specific situations and algorithms to process output in terms of results, options, or actual decisions. These areas also reflect on good examples of AI making headway into banking areas that have traditionally been headcount intensive - so creating cost efficiency but also substantially increasing reliability and effectiveness.

Some of the key challenging aspects of AI will be the time it takes to plan and build the environment for old and new systems to work in harmony, designing and building intelligent algorithms for the enterprise, data validation and audit to make sure its accurate and the elimination of false positive data or simply inaccurate data.

Amongst the challenges the current largest challenge that faces those Financial Services companies that have not yet taken the leap to focus on AI as a game changer, is the availability of expertise. Organizations must think carefully about how AI is integrated and importantly how to gain access to qualified data scientists and engineers to focus on industry issues. This is particularly challenging as many students don't necessarily see banking as a key part of their future career. This is where firms like Fintica can add substantial value to client's focus on AI and AI strategic as well as engineering projects.

The full version of the webinar is available on the [TSSAG website](#) and on the LinkedIn page.